

Message Text

LIMITED OFFICIAL USE

PAGE 01 TOKYO 05222 301000Z
ACTION EA-12

INFO OCT-01 ISO-00 EB-08 AID-05 CIAE-00 COME-00 FRB-03
INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 DOE-15 SOE-02 DODE-00 PA-01 /104 W
-----037349 302131Z /46

R 300939Z MAR 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 6594
INFO AMEMBASSY BANGKOK
AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY MANILA
AMEMBASSY RANGOON
AMEMBASSY SINGAPORE

LIMITED OFFICIAL USE TOKYO 05222

E.O. 11652: N/A
TAGS: EGEN, ASEAN, JA
SUBJECT: PROCUREMENT FROM JAPANESE FINANCING FOR ASEAN
PROJECTS

REF: (A) STATE 66698, (B) JAKARTA 2981, (C) TOKYO A-314,
DATED OCT. 7, 1977

1. SUMMARY: IT IS DOUBTFUL THAT THE INDONESIAN UREA
PROJECT WILL BE OPEN TO INTERNATIONAL BIDDING, NOR IS
IT CLEAR FROM HERE THAT THE PROJECT WILL GET UNDER WAY
THIS YEAR. EXCEPT FOR THE PHILIPPINE PROJECT, OTHER
ASEAN PROJECTS APPEAR TO BE PROGRESSING IN ACCORDANCE
WITH AGREED UPON PROCEDURES. END SUMMARY.

2. OUR CONTACTS IN THE MINISTRY OF INTERNATIONAL TRADE
AND INDUSTRY (MITI) ARE NOT OPTIMISTIC ABOUT EITHER
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TOKYO 05222 301000Z

THE START-UP THIS YEAR, OR THE OPEN-BIDDING POSSIBILITY
OF THE INDONESIAN UREA PLANT PROJECT. AS REPORTED IN
JAKARTA 2981, PARA 5, A JAPANESE TEAM SPENT ABOUT FOUR
WEEKS IN INDONESIA IN FEBRUARY ON A FEASIBILITY STUDY.
ITS REPORT IS DUE SOMETIME IN MAY. THE GOJ WILL BASE
A DECISION ON WHETHER TO GO AHEAD WITH THE PROJECT BASED
ON THE TEAM'S REPORT, AND IF THE DECISION IS FAVORABLE,

DETAILS OF THE PROJECT, INCLUDING FINANCING AND BIDDING PROCEDURES, WILL THEN BE WORKED OUT. WE ARE TOLD THAT BECAUSE THIS PROJECT, AS WELL AS THE OTHER ASEAN PROJECTS, WILL BE PARTLY FINANCED PRIVATELY, IT IS UNLIKELY THAT THE LOANS WILL BE UNTIED. IN FACT, ACCORDING TO MITI, THE INDONESIANS THEMSELVES ASKED THAT THE LOANS BE TIED - THOUGH IT IS NOT CLEAR WHETHER OR NOT LDC PROCUREMENT WOULD ALSO BE POSSIBLE.

3. FOLLOWING IS MITI DESCRIPTION OF STATUS OF ASEAN PROJECTS: THE TOTAL PACKAGE PLEDGED BY PRIME MINISTER FUKUDA DURING HIS AUGUST 1977 TRIP TO ASEAN COUNTRIES AND BURMA COMES TO OVER \$1.5 BILLION, OF WHICH ABOUT \$1 BILLION WOULD BE EARMARKED FOR THE FIVE ASEAN PROJECTS, \$548 MILLION IN UEN CREDITS, AND \$32 MILLION IN GRANTS. THE AGREED PROCEDURE FOR ASEAN PROJECTS IS THAT EACH COUNTRY WILL CONDUCT ITS OWN FEASIBILITY STUDY, AND OBTAIN THE APPROVAL OF OTHER ASEAN COUNTRIES TO HAVE THE PROJECTS DESIGNATED AS AN ASEAN PROJECTS. FOLLOWING THIS, THE GOJ WILL DECIDE WHETHER IT SHOULD SEND ITS OWN SURVEY TEAM TO THE COUNTRY. IN ADDITION TO THE INDONESIA PROJECT, WE UNDERSTAND THAT FEASIBILITY STUDIES HAVE BEEN UNDERTAKEN ON ALL THE OTHER PROJECTS, EXCEPT THE PHILIPPINE SUPERPHOSPHATE OF LIME PROJECT, AND THEY ARE NOW READY FOR ASEAN DESIGNATIONS, EXPECTED TO BE MADE AT THE NEXT ASEAN MINISTERIAL MEETING IN APRIL OR LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TOKYO 05222 301000Z

MAY. IN ACCORDANCE WITH THE PROCEDURE OUTLINED ABOVE, FOLLOWING SUCH DESIGNATION, THE GOJ WILL MAKE ITS OWN EVALUATION OF THE PROJECTS, BUT THERE IS AS YET NO SCHEDULE FOR THIS.

4. WITH REGARD TO THE REMAINDER OF THE FUKUDA PACKAGE, LOAN AGREEMENTS HAVE BEEN SIGNED BY JAPAN'S OVERSEAS ECONOMIC COOPERATION FUND FOR \$151 MILLION IN YEN CREDITS, AND THESE ARE READY TO BE DISBURSED. NOTES HAVE BEEN EXCHANGED BETWEEN THE GOVERNMENT OF JAPAN AND THE RECIPIENT COUNTRIES COVERING THE REMAINING \$429 MILLION, BUT NO AGREEMENTS HAVE BEEN SIGNED. JAPAN HAS AGREED TO INCREASE THE AMOUNT OF YEN CREDITS TO THAILAND BY \$20 MILLION TO \$135 MILLION. FINALLY, NOTES HAVE BEEN EXCHANGED ON THE GRANT PORTION OF THE PACKAGE, AND THEY ARE READY TO BE DISBURSED. MANSFIELD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROCUREMENT, INDUSTRIAL DEVELOPMENT, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 30 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TOKYO05222
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780138-1097
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978036/aaaaaevi.tel
Line Count: 110
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7be6a1c5-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 66698, 78 JAKARTA 2981, 78 TOKYO A-314
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3305572
Secure: OPEN
Status: NATIVE
Subject: PROCUREMENT FROM JAPANESE FINANCING FOR ASEAN PROJECTS
TAGS: EGEN, JA, ASEAN
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/7be6a1c5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014